

WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES FEBRUARY 2002



January figures reflect the time of year in the Southeast

Labor force changes between December and January can be quite dramatic as seasonal holiday employment ends and people move in and out of the labor force for various reasons. The first few months of the year are usually the ones with the year's highest unemployment rates in Wisconsin counties and have the largest swings in the labor force, precipitating these changes. 2002 will probably keep proceeding like 2001 did; higher (and continued volatile) unemployment rates that still reflect Wisconsin's economic seasonality despite the over all economic softening. Many indications that the recession is over abound, but unfortunately employers' willingness to expand or hire is typically diminished until they are absolutely sure that it is feasible and necessary. A great deal of the labor that is needed for increased demand in the short-term will be supplied in the form of overtime by current employees.

The **Kenosha MSA**, not seasonally adjusted, unemployment rate for January is 5.5 percent. This is up 0.7 percent points over the month *but is down* 0.4 percentage point over the year; one of only a handful of counties with a rate lower than a year ago for this month. Monthly labor force figures show more people employed but considerably more are unemployed as one would expect in January due to shifting of seasonal workers and large numbers of people moving into and out of the labor force (e.g. students on winter break, December's extra retail help, etc.). Since 1990, the January rate has averaged 5.1 percent for Kenosha County. Contrast this rate to December's average of 3.7 percent over the same timeframe and one can see that quite the jump is anticipated. January 2002's rate is the highest for this month since 1994 (5.6 percent), though last January's unemployment rate was only one-tenth of a point lower than this year. Kenosha County, over the year, registered a lower unemployment rate which is excellent news as most counties in the state are considerably higher in unemployment than they were at this time a year ago. Kenosha's monthly rate ranked 58th of 72 counties (number one being highest, 72 being lowest).

The current **Racine MSA** not seasonally adjusted unemployment rate is 7.6 percent and is ranked 26th. The January rate is up both over the month and year, by 1.3 and 1.4 percentage

points, respectively. The county's labor force increase was purely weighted in an increase in the number of those calling themselves unemployed, mitigated by the fact that there was not a decrease in the number of those employed which held stable. The number of employed remaining stable over the month is a good sign for this time of year because January typically sees a large reduction in the number of employed in the Racine area. Compared to last January, Racine County showed increases in the number of employed (+900), but is offset by an even larger number of unemployed (+1,440) creating a rate that is 1.4 percent points higher than January 2001. The average January rate given the 1990-2000 time period is 5.9 percent with this year's January rate the highest since 8.5 percent was recorded in January 1992.

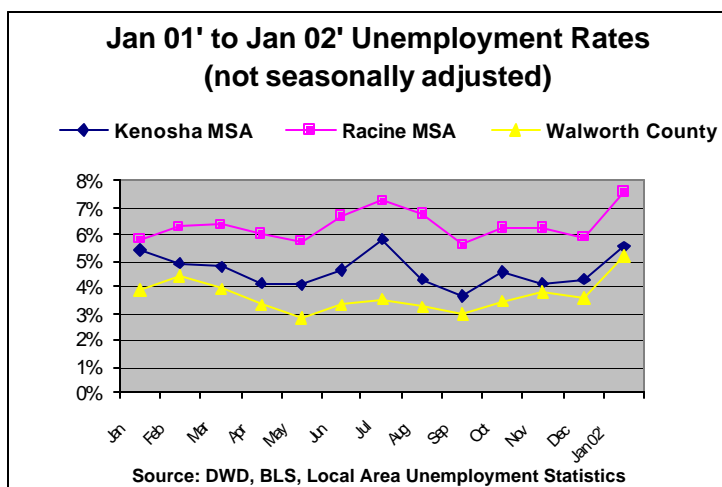
Walworth County's not seasonally adjusted unemployment rate for January 2002 is 5.2 percent. This is up from 3.8 percent in December 2001 and is up 1.1 percent points from January of 2001. The average unemployment rate for January in Walworth is 3.7 percent and December is 2.6 percent so the monthly jump is expected. An interesting point in Walworth this year is that the number of employed dropped by 560 over the month which is a much smaller monthly drop than the 1,500-3,000 employed drop that January has brought within the last decade. Walworth County ranked 62nd of the state's 72 counties.

Industry Scene for the Beginning of the New Year

The Southeast WDA lost 5,170 jobs over the month. A loss in reported jobs is not uncommon for the December to January period as a great deal of this loss is evidence of seasonal jobs ending and jobs being temporarily halted over the holiday period such as school district employees.

The **Kenosha MSA** shows a reduction of 1,280 jobs *net*. Most of the loss was centered in service producing sectors, namely retail trade and services combining for 1,040 of the jobs. Transportation workers such as school bus drivers were also reduced over the month as their post-holiday break employment was probably not captured in January's survey figures. On a continued

brighter note, manufacturing employment in transportation equipment increased by three hundred and nondurable goods manufacturing is up 100 over the month.



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The **Racine MSA** registered the largest monthly job loss of the three counties, down 2,300 total jobs. Services, retail trade and government showed the most reduction in employment, but every major industry in the MSA lost employment over the month. Construction losses over the month exceeded manufacturing losses, -560 jobs to -200 jobs, respectively. Manufacturing sectors that showed a reduction in employment were primary metals and non-electrical machinery.

Walworth County showed the most dramatic "pound for pound" loss of jobs over the month. Walworth lost 1,590 or four percent of its total jobs between December and January and for two particular reasons: 1) expected retail trade employment reductions and 2) state and local government employees such as local school districts' staff and employees at the University of Wisconsin-Whitewater have extended amounts of time off during winter break and are not counted in the payroll survey, even as far as

into the second week of January when the survey is implemented. These industries' numbers will recover in February, mitigating this huge monthly decline.

The **Southeast WDA** over the year shows 80 more jobs than in January 2001. The entire state shows 13,450 fewer jobs than at the same time last year. It is the author's opinion that the WDA's slight annual increase over the year is actually bolstered upward artificially by reporting subtleties in Walworth County's state government employment figures. Manufacturing losses total 2,600 jobs or 6.7 percent since January 2001. Wholesale trade, which is usually clustered within manufacturing-intense locales is also lower in employment over the year. Construction employment grew extremely robustly in the Southeast-a whopping 18.5 percent over the year, especially in Kenosha County, as the demand for private, residential housing has never waned during the economic downturn.

January 2002	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA	City of Kenosha	City of Racine
Civilian Labor Force*	3,031,860	83,314	93,835	53,184	229,986	49,331	39,093
Persons Employed	2,855,240	78,755	86,699	50,395	217,998	46,051	34,652
Persons Unemployed	176,620	4,559	7,136	2,789	11,988	3,280	4,441
Unemployment Rate	5.8%	5.5%	7.6%	5.2%	5.2%	6.6%	11.4%
Total jobs of all non-farm industries**	2,759,171	53,978	79,455	39,867	173,300		
Goods Producing Jobs	675,732	14,166	24,287	10,771	49,224		
Service Producing Jobs	2,083,439	39,812	55,168	29,096	124,076		
Construction & Mining	108,065	2,674	3,147	1,642	7,463		
All Manufacturing	567,667	11,492	21,140	9,129	41,761		
Transportation, Communications & Public Utilities	131,498	2,088	2,480	1,594	6,162		
Wholesale Trade	135,100	2,472	3,288	1,457	7,217		
Retail Trade	490,681	10,987	14,274	7,299	32,560		
Finance, Insurance, and Real Estate	150,431	1,365	2,344	1,299	5,008		
Services	761,099	13,902	22,429	10,132	46,463		
All Government	414,630	8,998	10,353	7,315	26,666		
Change from December 2001							
Civilian Labor Force*	50,760	1,110	1,340	210	2,660	650	650
Persons Employed	6,140	360	0	-560	-210	200	-10
Persons Unemployed	44,520	760	1,340	770	2,870	450	660
Unemployment Rate	1.4%	0.8%	1.3%	1.4%	1.2%	0.8%	1.5%
Total jobs of all non-farm industries**	-76,820	-1,280	-2,300	-1,590	-5,170		
Goods Producing Jobs	-18,950	160	-760	-410	-1,010		
Service Producing Jobs	-57,870	-1,440	-1,540	-1,180	-4,160		
Construction & Mining	-11,710	-180	-560	-310	-1,050		
All Manufacturing	-7,240	340	-200	-100	40		
Transportation, Communications & Public Utilities (TCPU)	-2,540	-130	-20	-70	-210		
Wholesale Trade	-1,380	-50	-130	-40	-220		
Retail Trade	-27,730	-470	-560	-410	-1,440		
Finance, Insurance, and Real Estate (FIRE)	-770	-80	-110	-90	-290		
Services	-15,500	-570	-530	-150	-1,260		
All Government	-9,950	-140	-190	-420	-740		
Change from January 2001							
Civilian Labor Force*	96,260	1,210	2,340	2,900	8,560	600	1,160
Persons Employed	60,140	-50	900	2,220	49,140	870	380
Persons Unemployed	36,020	-240	1,440	680	3,980	-270	780
Unemployment Rate	1.0%	-0.4%	1.4%	1.1%	1.6%	-0.6%	1.7%
Total jobs of all non-farm industries**	-13,450	-120	-790	990	80		
Goods Producing Jobs	-35,610	350	-1,300	-420	-1,370		
Service Producing Jobs	22,160	-470	510	1,410	1,450		
Construction & Mining	-2,160	780	340	100	1,210		
All Manufacturing	-33,450	-440	-1,640	-520	-2,600		
Transportation, Communications & Public Utilities (TCPU)	-580	-80	150	70	140		
Wholesale Trade	-840	-160	-50	-30	-230		
Retail Trade	-690	80	-130	140	90		
Finance, Insurance, and Real Estate (FIRE)	2,620	-50	-10	170	110		
Services	9,370	-360	110	10	-240		
All Government	12,280	110	430	1,040	1,580		

* Labor force figures are not seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

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